



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3685

by Rep. Litesa E. Wallace

SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new
35 ILCS 200/18-184.15 new

Amends the Property Tax Code. Provides that a taxing district may grant an abatement for property that contains an expanded business facility. Defines "expanded business facility" to include a requirement that the business must create a certain number of new employment positions at the facility. Contains provisions allowing for an enhanced abatement for certain facilities. Amends the Illinois Income Tax Act to create a credit equal to a percentage of the remaining tax liability for the property. Effective immediately.

LRB099 07978 HLH 28118 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Section 224 as follows:

6 (35 ILCS 5/224 new)

7 Sec. 224. Expanded business facility credit.

8 (a) Notwithstanding any other provision of law, for taxable
9 years beginning on or after January 1, 2016, a taxpayer that
10 receives an abatement under Section 18-184.15 of the Property
11 Tax Code during the taxable year is entitled to a credit
12 against the tax imposed by subsections (a) and (b) of Section
13 201 as provided in this Section. The amount of the credit shall
14 be:

15 (1) for the first and second taxable years after the
16 business facility qualifies as an expanded business
17 facility under Section 18-184.15 of the Property Tax Code,
18 an amount equal to 28% of the remaining property tax
19 liability for the property where the expanded business
20 facility is located;

21 (2) for the third and fourth taxable years after the
22 business facility qualifies as an expanded business
23 facility under Section 18-184.15 of the Property Tax Code,

1 an amount equal to 21% of the remaining property tax
2 liability for the property where the expanded business
3 facility is located; and

4 (3) for the fifth and sixth taxable years after the
5 business facility qualifies as an expanded business
6 facility under Section 18-184.15 of the Property Tax Code,
7 an amount equal to 14% of the remaining property tax
8 liability for the property where the expanded business
9 facility is located.

10 (b) For partners, shareholders of Subchapter S
11 corporations, and owners of limited liability companies, if the
12 liability company is treated as a partnership for purposes of
13 federal and State income taxation, the amount of the credit
14 shall be determined in accordance with the determination of
15 income and distributive share of income under Sections 702 and
16 704 and Subchapter S of the Internal Revenue Code.

17 (c) In no event shall a credit under this Section reduce
18 the taxpayer's liability to less than zero. If the amount of
19 the credit exceeds the tax liability for the year, the excess
20 may be carried forward and applied to the tax liability of the
21 5 taxable years following the excess credit year. The tax
22 credit shall be applied to the earliest year for which there is
23 a tax liability. If there are credits for more than one year
24 that are available to offset a liability, the earlier credit
25 shall be applied first.

26 (d) This Section is exempt from the provisions of Section

1 250.

2 Section 10. The Property Tax Code is amended by adding
3 Section 18-184.15 as follows:

4 (35 ILCS 200/18-184.15 new)

5 Sec. 18-184.15. Business facility abatement.

6 (a) Each taxing district may, by a majority vote of its
7 governing authority, order the county clerk to abate a portion
8 of its taxes, as provided in subsection (b), on property that
9 contains an expanded business facility.

10 (b) The amount of the abatement shall be as follows:

11 (1) for the first and second taxable years after the
12 business facility qualifies as an expanded business
13 facility, the amount of the abatement shall be 52% of its
14 property tax liability for the applicable taxing district;

15 (2) for the third and fourth taxable years after the
16 business facility qualifies as an expanded business
17 facility, the amount of the abatement shall be 39% of its
18 property tax liability for the applicable taxing district;

19 (3) for the fifth and sixth taxable years after the
20 business facility qualifies as an expanded business
21 facility, the amount of the abatement shall be 26% of its
22 property tax liability for the applicable taxing district;

23 and

24 (4) no such abatement may be granted for the seventh

1 taxable year after the expanded business facility
2 qualifies as an expanded business facility or thereafter.

3 An expanded business facility is eligible for an enhanced
4 abatement of 58.5% of its property tax liability for the
5 applicable taxing district in the first 12 years after the
6 expanded business facility qualifies as an expanded business
7 facility if:

8 (1) in counties with fewer than 3,000,000 inhabitants,
9 the expanded business facility is at least 250,000 square
10 feet and (i) the business retains at least 2,500 employees
11 and creates at least 500 new positions at the business
12 facility, and the salary for those new and retained
13 positions is at least 150% of the minimum wage for the
14 geographic area where the business facility is located or
15 (ii) the business creates at least 1,250 new positions at
16 the business facility, and the salary for those positions
17 is at least 150% of the minimum wage for the geographic
18 area where the business facility is located; and

19 (2) in counties with 3,000,000 or more inhabitants, (i)
20 the expanded business facility is at least 700,000 square
21 feet; (ii) the business spends at least \$150,000,000 to
22 purchase, construct, or lease the facility; (iii) at least
23 1,100 individuals are employed at the facility, including
24 at least 500 new positions; (iv) all of those individuals
25 are eligible for employer-subsidized health care benefits
26 and are paid at least 150% of the minimum wage for the

1 geographic area where the business facility is located.

2 (c) For the purposes of this Section:

3 "Expanded business facility" means a business facility of
4 at least 5,000 square feet at which:

5 (1) in a county with fewer than 100,000 inhabitants, at
6 least 10 new positions are created and filled; and

7 (2) in a county with 100,000 or more inhabitants, at
8 least 25 new positions are created and filled.

9 "Full-time" means that the individual is employed for
10 consideration for at least 35 hours each week or renders any
11 other standard of service generally accepted by industry custom
12 or practice as full-time employment.

13 "New position" means an employment position that is in
14 addition to the employer's previous head count at the
15 prospective expanded business facility in the taxable year
16 prior to the taxable year for which the abatement is granted
17 and is:

18 (1) located in Illinois;

19 (2) part of the expanded business facility;

20 (3) permanent;

21 (4) filled for at least one year; and

22 (5) full-time of indefinite duration; provided that,
23 in a county with at least 3,000,000 inhabitants, a contract
24 position of definite duration lasting at least 12 months
25 with an unlimited renewal option that otherwise meets the
26 criteria set forth in items (1) through (4) may be

1 considered a "new position".

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.